

## STATE OF SOUTH CAROLINA

(Caption of Case)

Application of Duke Energy Carolinas, LLC For  
Authority to Adjust and Increase Its Electric Rates  
and Charges

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

## COVER SHEET

DOCKET

NUMBER: 2013 - 59 - E

(Please type or print)

Submitted by: Stephanie U. RobertsSC Bar Number: 80073Address: 110 Oakwood Drive, Suite 500Telephone: 336.725.4710Winston-Salem, NC 27103Fax: 336.725.4476

Other: \_\_\_\_\_

Email: sroberts@spilmanlaw.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

**DOCKETING INFORMATION** (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☐ Other: \_\_\_\_\_

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certificatio	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigator	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input checked="" type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input checked="" type="checkbox"/> Other: Letter and COS	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		



SPILMAN THOMAS & BATTLE, PLLC

ATTORNEYS AT LAW

Stephanie U. Roberts  
Direct Dial 336.631.1062  
sroberts@spilmanlaw.com  
\* Also licensed in SC and FL

July 1, 2013

Via SCPSC E-FILING DMS

The Honorable Jocelyn G. Boyd  
Chief Clerk/Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive  
Columbia, SC 29210

**Re: Application of Duke Energy Carolinas, LLC for Authority to Adjust and Increase Its Electric Rates and Charges; Docket No. 2013-59-E**

Dear Ms. Boyd:

Please find enclosed for filing with the South Carolina Public Utility Commission ("Commission") one (1) copy of the SCPSC Docket Coversheet and the Direct Testimony and Exhibits of Steve W. Chriss on behalf of Wal-Mart Stores East, LP and Sam's East, Inc. (collectively, "Walmart") in the above-referenced matter. All parties have been served a copy of this document in accordance with the attached Certificate of Service.

Please contact us if you have any questions concerning this filing.

Sincerely,

SPILMAN THOMAS & BATTLE, PLLC

By

Stephanie U. Roberts  
(SC Bar No. 80073)

Derrick Price Williamson  
Spilman Thomas & Battle, PLLC  
1100 Bent Creek Boulevard, Suite 101  
Mechanicsburg, PA 17050  
dwilliamson@spilmanlaw.com

Counsel to Wal-Mart Stores East, LP, and Sam's East, Inc.

SUR/lhi  
Attachments  
c: Certificate of Service

STATE OF SOUTH CAROLINA  
BEFORE THE PUBLIC SERVICE COMMISSION  
DOCKET NO. 2013-59-E

In the Matter of:

Application of Duke Energy Carolinas, LLC  
for Authority to Adjust and Increase Its Electric  
Rates and Charges

)  
)  
)  
)  
)

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served one (1) copy of the foregoing document upon the following parties to this proceeding via Electronic Mail and First Class Mail:

Charles A. Castle, Esq.  
Heather S. Smith, Esq.  
Associate General Counsel  
Duke Energy Carolinas, LLC  
550 South Tryon Street  
Charlotte, NC 28202  
Email: [alex.castle@duke-energy.com](mailto:alex.castle@duke-energy.com)  
[heather.smith@duke-energy.com](mailto:heather.smith@duke-energy.com)  
*Counsel for Duke Energy Carolinas, LLC*

Timika Shafeek-Horton, Esq.  
Duke Energy Carolinas, LLC  
P.O. Box 1006/EC03T  
Charlotte, NC 28201  
Email: [timika.shafeek-horton@duke-energy.com](mailto:timika.shafeek-horton@duke-energy.com)  
*Counsel for Duke Energy Carolinas, LLC*

Frank R. Ellerbe, III, Esq.  
Bonnie D. Shealy, Esq.  
Robinson, McFadden & Moore, P.C.  
P.O. Box 944  
Columbia, SC 29202-0944  
Email: [fellerbe@robinsonlaw.com](mailto:fellerbe@robinsonlaw.com)  
*Counsel for Duke Energy Carolinas, LLC*

Richard L. Whitt, Esq.  
Austin & Rogers, P.A.  
508 Hampton Street, Suite 300  
Columbia, SC 29210  
Email: [rlwhitt@austinrogerspa.com](mailto:rlwhitt@austinrogerspa.com)  
*Counsel for The Commission of  
Public Works of the City of Spartanburg,  
South Carolina and the Spartanburg  
Sanitary Sewer*

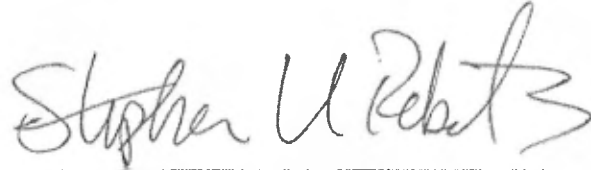
Courtney D. Edwards, Esq.  
Shannon B. Hudson, Esq.  
Office of Regulatory Staff  
1401 Main Street, Suite 900  
Columbia, SC 29201  
Email: [cedwards@regstaff.sc.gov](mailto:cedwards@regstaff.sc.gov)  
[shudson@regstaff.sc.gov](mailto:shudson@regstaff.sc.gov)  
*Counsel for Office of Regulatory Staff*

John J. Fantry, Jr., Esq.  
Fantry Law  
P.O. Box 993  
Winnsboro, SC 29180  
Email: [jfantry@bellsouth.net](mailto:jfantry@bellsouth.net)  
*Counsel for South Carolina Small Business  
Chamber of Commerce*

Certificate of Service  
July 1, 2013  
Page 2

Scott Elliott, Esq.  
Elliott & Elliott  
1508 Lady Street  
Columbia, SC 29201  
Email: [selliott@elliottlaw.us](mailto:selliott@elliottlaw.us)  
*Counsel for South Carolina Energy Users  
Committee*

Mr. John Wojcicki  
820 East Steele Road  
West Columbia, SC 29170-1125  
Email: [Joe4ocean@aim.com](mailto:Joe4ocean@aim.com)

A handwritten signature in dark ink, appearing to read "Stephanie U. Roberts", written over a horizontal line.

Stephanie U. Roberts (SC Bar No. 80073)

Dated: July 1, 2013

In the Matter of: )  
 )  
Application of Duke Energy Carolinas, LLC )  
for Authority to Adjust and Increase Its Electric )  
Rates and Charges )

ON BEHALF OF

Dated: July 2013

1       **Q.     PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.**

2       A.     My name is Steve W. Chriss. My business address is 2001 SE 10th St.,  
3             Bentonville, AR 72716-0550. I am Senior Manager, Energy Regulatory Analysis,  
4             for Wal-Mart Stores, Inc.

5       **Q.     ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS DOCKET?**

6       A.     I am testifying on behalf of Wal-Mart Stores East, LP and Sam's East, Inc.  
7             ("Walmart").

8       **Q.     PLEASE DESCRIBE YOUR EDUCATION AND EXPERIENCE.**

9       A.     In 2001, I completed a Master of Science in Agricultural Economics at Louisiana  
10            State University. From 2001 to 2003, I was an Analyst and later a Senior Analyst  
11            at the Houston office of Econ One Research, Inc., a Los Angeles-based consulting  
12            firm. My duties included research and analysis on domestic and international  
13            energy and regulatory issues. From 2003 to 2007, I was an Economist and later a  
14            Senior Utility Analyst at the Public Utility Commission of Oregon in Salem,  
15            Oregon. My duties included appearing as a witness for PUC Staff in electric,  
16            natural gas, and telecommunications dockets. I joined the energy department at  
17            Walmart in July 2007 as Manager, State Rate Proceedings, and was promoted to  
18            my current position in June 2011. My Witness Qualifications Statement is found  
19            on Exhibit SWC-1.

1       **Q.    HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE SOUTH**  
2       **CAROLINA PUBLIC SERVICE COMMISSION ("THE COMMISSION")?**

3       A.    Yes. I submitted testimony in Docket Nos. 2008-251-E, 2009-489-E, 2011-271-E,  
4       and 2012-218-E.

5       **Q.    HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE OTHER STATE**  
6       **REGULATORY COMMISSIONS?**

7       A.    Yes. I have submitted testimony in over 75 proceedings before 31 other utility  
8       regulatory commissions and before the Missouri House Committee on Utilities  
9       and the Missouri Senate Veterans' Affairs, Emerging Issues, Pensions, and Urban  
10      Affairs Committee. My testimony has addressed topics including cost of service  
11      and rate design, ratemaking policy, qualifying facility rates, telecommunications  
12      deregulation, resource certification, energy efficiency/demand side  
13      management, fuel cost adjustment mechanisms, decoupling, and the collection  
14      of cash earnings on construction work in progress.

15      **Q.    HAVE YOU PREPARED EXHIBITS?**

16      A.    Yes. I have prepared Exhibit\_\_\_\_SWC-1, consisting of nine pages,  
17      Exhibit\_\_\_\_SWC-2, consisting of one page, Exhibit\_\_\_\_SWC-3, consisting of two  
18      pages, and Exhibit\_\_\_\_SWC-4.

1       **Q.     WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2       A.     The purpose of my testimony is to address issues related to revenue  
3             requirement and revenue allocation, responding specifically to the testimony of  
4             Duke Energy Carolinas, LLC ("DEC" or "the Company") witnesses Robert B.  
5             Hevert, Carol E. Shrum, and Jeffrey R. Bailey.

6       **Q.     PLEASE BRIEFLY DESCRIBE WALMART'S OPERATIONS IN SOUTH CAROLINA.**

7       A.     Walmart operates 90 retail stores and two distribution centers and employs  
8             27,795 associates in South Carolina. In fiscal year ending 2013, Walmart  
9             purchased \$1.2 billion worth of goods and services from South Carolina-based  
10            suppliers, supporting 20,298 supplier jobs.<sup>1</sup> Walmart has approximately 28  
11            facilities serviced by DEC that primarily take service pursuant to Rate Schedule  
12            OPT.

13      **Q.     WHY IS WALMART AS A CUSTOMER CONCERNED ABOUT DEC'S PROPOSED**  
14      **RATE INCREASE?**

15      A.     Electricity represents a significant portion of a retailer's operating costs. When  
16             rates increase, that increase in cost to retailers puts pressure on consumer prices  
17             and on the other expenses required by a business to operate, which impacts a  
18             retailer's employees and customers, who are also DEC's residential and small  
19             business customers. Given current economic conditions, a rate increase is a  
20             serious concern for Walmart and its customers, and the Commission should

---

<sup>1</sup> <http://corporate.walmart.com/our-story/locations/united-states#/united-states/south-carolina>



1 consider these impacts thoroughly and carefully in ensuring that any increase in  
2 DEC's rates is only the minimum amount necessary to provide adequate and  
3 reliable service at the lowest possible cost.

4 **Q. WHAT ARE YOUR RECOMMENDATIONS TO THE COMMISSION?**

5 **A.** My recommendations to the Commission are:

- 6 1) The Commission should closely examine and consider the Company's proposed  
7 revenue increase in light of what appears to be an excessive proposed increase  
8 in operating return and return on equity, the risk reduction due to the  
9 Company's use of construction work in progress ("CWIP") in rate base, and the  
10 impacts of any increase on customers.
- 11 2) The Commission should reject DEC's request to include approximately \$300  
12 million of CWIP for new electric plant in rate base. If, however, the Commission  
13 determines it necessary to include any CWIP in rate base, it should determine  
14 that the shift of risk from the Company to ratepayers through the inclusion of  
15 CWIP be reflected in the ROE approved in this docket, such that as the level of  
16 CWIP is increased, ROE is accordingly reduced.
- 17 3) Walmart does not oppose the Company's proposed revenue allocation at their  
18 proposed revenue requirement.
- 19 4) If the Commission determines that the appropriate level of revenue requirement  
20 is lower than the level proposed by the Company, the Commission should

1 determine the extent to which rates can be moved closer to the cost of service  
2 for each rate class.

3 The fact that an issue is not addressed should not be construed as an  
4 endorsement of any filed position.

5  
6 ***Revenue Requirement***

7 **Q. WHAT BASE RATE REVENUE REQUIREMENT INCREASE HAS THE COMPANY**  
8 **PROPOSED IN ITS FILING?**

9 A. The Company has proposed a total base rate revenue requirement increase of  
10 approximately \$220 million. Of the \$220 million, approximately \$135 million is  
11 related to an increase in the Company's operating return. See Direct Testimony  
12 of Carol A. Shrum, Exhibit 1, page 1.

13 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S CURRENT LEVEL OF**  
14 **OPERATING INCOME?**

15 A. My understanding is that the Company's current level of operating return is  
16 approximately \$229 million. Id.

17 **Q. WHAT PERCENT INCREASE IN OPERATING INCOME IS THE COMPANY**  
18 **REQUESTING?**

19 A. The Company is requesting a 59.3 percent increase in its operating return. See  
20 Exhibit SWC-2.

1       **Q.     WHAT IS THE COMPANY'S PROPOSED ROE IN THIS DOCKET?**

2       A.     The Company is proposing a ROE of 11.25 percent. See Direct Testimony of  
3       Robert B. Hevert, page 2, line 18.

4       **Q.     ARE YOU CONCERNED THAT THE PROPOSED INCREASE IN OPERATING INCOME**  
5       **IS EXCESSIVE?**

6       A.     Yes. I am concerned that the Company's proposed operating return increase of  
7       59.3 percent is excessive, especially given the current economic conditions faced  
8       by DEC's customers. I recognize that a significant portion of the increase is due  
9       to the Company's proposed increase in rate base; however, the Company is  
10      proposing a ROE of 11.25 percent and a range of 10.5 percent to 11.5 percent.  
11      See Direct Testimony of Robert B. Hevert, page 2, line 15 to line 16. Additionally,  
12      approximately \$300 million, or seven percent, of the proposed rate base is  
13      constituted of CWIP, which shifts risk from the Company to its customers. See  
14      Direct Testimony of Carol A. Shrum, Exhibit 1, page 4.

15      **Q.     IS THE COMPANY'S PROPOSED ROE HIGHER THAN THEIR CURRENTLY**  
16      **APPROVED ROE?**

17      A.     Yes. The proposed ROE is an increase of 75 basis points over the Company's  
18      currently approved ROE of 10.5 percent. See Order No. 2012-77, Order  
19      Approving Increase in Rates and Charges and Settlement Agreement, page 21.  
20      Additionally, the proposed ROE is 105 basis points higher than the 10.2 percent  
21      ROE approved by the North Carolina Utilities Commission on May 30, 2013, for

1 Progress Energy Carolinas, Inc. ("DEP") in Docket E-2, Sub 1023. See North  
2 Carolina Docket No. E-2, Sub 1023, Order Granting General Rate Increase, page  
3 50. Similarly, DEC has filed a stipulation in its current North Carolina rate case in  
4 which the Company has agreed to a ROE of 10.2. See North Carolina Docket No.  
5 E-7, Sub 1026, Agreement and Stipulation of Settlement, page 3. Finally, the  
6 proposed ROE is significantly higher than ROEs approved by commissions  
7 nationwide.

8 **Q. WHAT IS YOUR UNDERSTANDING OF THE RETURNS ON EQUITY APPROVED BY**  
9 **COMMISSIONS NATIONWIDE IN 2012 AND IN 2013 THUS FAR?**

10 A. According to data from SNL Financial, a financial news and reporting company,  
11 the average of the 64 reported electric utility rate case ROEs authorized by  
12 commissions to investor-owned electric utilities in 2012 and so far in 2013 is 9.98  
13 percent. The range of reported authorized ROEs for the period is 9.00 percent to  
14 10.5 percent, and the median authorized ROE is 10 percent. See Exhibit SWC-3,  
15 page 2. The average and median values are significantly below the Company's  
16 proposed ROE of 11.25 percent and even 10.5 percent, the low end of the  
17 Company's proposed range. See Direct Testimony of Robert B. Hevert, page 2,  
18 line 15 to line 16.

1       **Q.     SEVERAL OF THE REPORTED AUTHORIZED ROES ARE FOR DISTRIBUTION-ONLY**  
2       **UTILITIES OR FOR ONLY THE UTILITY'S DISTRIBUTION SERVICE RATES. WHAT IS**  
3       **THE AVERAGE AUTHORIZED ROE IN THE REPORTED GROUP FOR THE**  
4       **VERTICALLY INTEGRATED UTILITIES?**

5       A.     In the group reported by SNL Financial, the average authorized ROE for vertically  
6       integrated utilities is 10.06 percent. See Exhibit SWC-3, page 2.

7       **Q.     WHAT IS YOUR UNDERSTANDING OF THE AMOUNT OF CWIP THE COMPANY IS**  
8       **PROPOSING TO INCLUDE IN RATE BASE?**

9       A.     My understanding is that the Company is proposing to include approximately  
10       \$300 million of CWIP in rate base in this docket. See Direct Testimony of Carol A.  
11       Shrum, Exhibit 1, page 4.

12       **Q.     IS THE INCLUSION OF CWIP IN RATE BASE OF CONCERN TO WALMART?**

13       A.     Yes. The inclusion of CWIP in rate base charges ratepayers for assets that are  
14       not yet used and useful in the provision of electric service. Under the Company's  
15       proposal, ratepayers would pay for the assets during a period when they are not  
16       receiving benefits from those assets, so the matching principle (*i.e.* customers  
17       bearing costs only when they are receiving a benefit) is violated. In this case,  
18       DEC's customers would pay for assets that do not provide service – *i.e.*, assets  
19       that are not used and useful – during that test year. The problem is  
20       compounded by changes in the number of customers during the construction  
21       process. For example, customers may pay for the assets during construction but

1 leave the system before they are operational, receiving no benefit from the  
2 assets for which they helped pay.

3 **Q. IS THERE ANOTHER CONCERN WITH THE INCLUSION OF CWIP IN RATE BASE**  
4 **THAT THE COMMISSION SHOULD CONSIDER?**

5 A. Yes. Including CWIP in rate base shifts the risks traditionally assumed by  
6 investors, for which they are compensated through the rate of return elements  
7 once the plant is in service, and instead places the risks squarely on the  
8 shoulders of ratepayers with no offer of compensation. Additionally, should the  
9 Company encounter problems during construction of the plant resulting in  
10 stoppage of the construction, non-completion of the project and/or substantial  
11 delay in the completion of the project, consumers have no recourse for  
12 recovering the money they have paid for the inclusion of CWIP in rate base.

13 **Q. DO YOU HAVE ANY ADDITIONAL COMMENTS REGARDING THE COMPANY'S**  
14 **ROE?**

15 A. Yes. In North Carolina Dockets E-2, Sub 998, and E-7, Sub 986, Duke Energy Chief  
16 Executive Officer Lynn J. Good<sup>2</sup> testified under questioning by the Commercial  
17 Group:

18 Q: In light of the benefits to the risk profile that you've identified, does  
19 the combined Duke intend in regulatory proceedings to seek a lower or  
20 higher ROE than it otherwise would if they were separate companies?  
21

---

<sup>2</sup> Ms. Good was Chief Financial Officer of Duke Energy at the time of her testimony.

1 A: I think the request for ROE would be a part of the general rate  
2 proceeding and I would say that the rate of return or the risk profile of  
3 the combined company should be less than the risk profile of the  
4 companies standalone for the financial strength that I justed talk [sic]  
5 about but I think in terms of quantification of that and how that might be  
6 evaluated relative to market conditions and peer analysis and other  
7 things that would occur as a part of a general rate proceeding, I can't  
8 opine on the amount or any quantification that that would represent.  
9

10 Q: And can you – I didn't ask you to opine to the amount but the  
11 direction.  
12

13 A: I think all things being equal that the risk of the company combined  
14 should be lesser [sic] than the companies separate.  
15

16 See North Carolina Docket E-2, Sub 998 and E-7, Sub 986, Hearing Transcript  
17 Volume 3, page 87, line 22 to page 88, line 19. The Duke Energy merger with  
18 Progress Energy occurred in July 2012, just one month after the test year of this  
19 rate case, so it is unclear if the risk reduction benefits of the merger have been  
20 factored into the Company's proposed ROE. As Ms. Good testified, DEC's risk  
21 profile is less than its profile as a stand-alone entity and this factor should be  
22 considered in setting ROE.

23 **Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION ON THIS ISSUE?**

24 A. In setting the ROE for DEC, the Commission should closely examine the  
25 Company's proposed revenue increase in light of what appears to be an  
26 excessive increase in operating return and return on equity and the risk  
27 reduction due to the Company's use of CWIP in rate base, while also carefully  
28 considering the impacts of any increase on customers.

1        Additionally, the Commission should reject DEC's request to include  
2        approximately \$300 Million of CWIP for new electric plant in rate base. If,  
3        however, the Commission determines it necessary to include any CWIP in rate  
4        base, it should determine that the shift of risk from the Company to ratepayers  
5        through the inclusion of CWIP be reflected in the ROE approved in this docket,  
6        such that as the level of CWIP is increased, ROE is accordingly reduced.

7        **Q.    WHAT IS THE REVENUE REQUIREMENT IMPACT WERE THE COMMISSION TO**  
8        **APPROVE A ROE FOR DEC EQUIVALENT TO 10 PERCENT, THE MEDIAN**  
9        **AUTHORIZED ROE NATIONWIDE IN 2012 AND SO FAR IN 2013?**

10       A.    Authorizing the Company the median authorized ROE of 10 percent, versus the  
11       Company's proposal of 11.25 percent, would result in a reduction in the  
12       Company's proposed revenue requirement, inclusive of taxes, of approximately  
13       \$40 million. See Exhibit\_\_\_\_SWC-4.

14  
15       ***Revenue Allocation***

16       **Q.    GENERALLY, WHAT IS WALMART'S POSITION ON SETTING RATES BASED ON**  
17       **THE UTILITY'S COST OF SERVICE?**

18       A.    Walmart advocates that rates be set based on the utility's cost of service. This  
19       produces equitable rates that reflect cost causation, send proper price signals,  
20       and minimize price distortions.



1       **Q.     WHAT IS DEC'S STATED OBJECTIVE FOR ITS REVENUE ALLOCATION PROPOSAL?**

2       A.     The Company's stated objective for their revenue allocation proposal is to  
3             "further align the cost to serve customers within our residential, general, and  
4             industrial rate schedules." See Direct Testimony of Jeffrey R. Bailey, page 6, line  
5             13 to line 14.

6       **Q.     HOW HAS THE COMPANY PROPOSED TO ALLOCATE ITS PROPOSED REVENUE**  
7             **REQUIREMENT INCREASE?**

8       A.     The Company proposes to allocate the proposed revenue requirement increase  
9             in such a way that all customer classes will have the subsidy they receive or  
10            excess they pay reduced by 25 percent. Id., page 16, line 14 to line 16 and Bailey  
11            Exhibit 4.

12       **Q.     DOES THE COMPANY PROVIDE A REASON FOR NOT MOVING EACH CLASS TO**  
13            **THEIR RESPECTIVE CLASS COST OF SERVICE?**

14       A.     Yes. DEC states that it would require a subsidy reduction of approximately 88  
15            percent reduction in subsidy and excess levels to bring classes within the  
16            Company's "range of reasonableness." Id. line 17 to line 18.

17       **Q.     DOES WALMART OPPOSE THE COMPANY'S PROPOSED REVENUE ALLOCATION**  
18            **AT THEIR PROPOSED REVENUE REQUIREMENT?**

19       A.     No. Walmart does not oppose the Company's proposed revenue allocation at  
20            their proposed revenue requirement.

1       **Q.     WHAT IS YOUR RECOMMENDATION TO THE COMMISSION IF IT DETERMINES**  
2       **THAT A LOWER LEVEL OF REVENUE REQUIREMENT IS APPROPRIATE?**

3       A.     If the Commission determines that the appropriate level of revenue requirement  
4       is lower than the level proposed by the Company, the Commission should  
5       determine the extent to which rates can be moved closer to the cost of service  
6       for each rate class.

7       **Q.     DO YOU HAVE ANY OTHER ISSUES OF CONCERN?**

8       A.     Yes.   DEC addresses changes to the standby service charges applicable to  
9       customers with customer-owned generation and as applied to the economy  
10      demand charge of other rates schedules, like OPT.   See Direct Testimony of  
11      Jeffrey R. Bailey, page 14 to page 15. From my review of DEC's tariffs it is unclear  
12      the extent to which standby charges would apply to an OPT customer with on-  
13      site generation, but to the extent that those charges are applied, I am concerned  
14      about how the level of standby kW is calculated by the Company. Walmart  
15      understands from the Company, however, that this is an area that the Company  
16      intends to address in the near future. Walmart is able and willing to work with  
17      the Company so as to insure that barriers to customer installation of on-site solar  
18      and wind generation are minimized and that related charges are reasonable.

19      **Q.     DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

20      A.     Yes.

In the Matter of: )  
 )  
Application of Duke Energy Carolinas, LLC )  
for Authority to Adjust and Increase Its Electric )  
Rates and Charges )

ON BEHALF OF

Dated: July 2013

STATE OF SOUTH CAROLINA  
BEFORE THE PUBLIC SERVICE COMMISSION  
DOCKET NO. 2013-59-E

In the Matter of: )  
 )  
Application of Duke Energy Carolinas, LLC )  
for Authority to Adjust and Increase Its Electric )  
Rates and Charges )

EXHIBIT\_\_SWC-1 OF STEVE W. CHRISS

ON BEHALF OF

**WAL-MART STORES EAST, LP AND SAM'S EAST, INC.**

# Steve W. Chriss

Senior Manager, Energy Regulatory Analysis

Wal-Mart Stores, Inc.

Business Address: 2001 SE 10<sup>th</sup> Street, Bentonville, AR, 72716-0550

Business Phone: (479) 204-1594

---

## EXPERIENCE

July 2007 – Present

**Wal-Mart Stores, Inc.**, Bentonville, AR

**Senior Manager, Energy Regulatory Analysis** (June 2011 – Present)

**Manager, State Rate Proceedings** (July 2007 – June 2011)

June 2003 – July 2007

**Public Utility Commission of Oregon**, Salem, OR

**Senior Utility Analyst** (February 2006 – July 2007)

**Economist** (June 2003 – February 2006)

January 2003 - May 2003

**North Harris College**, Houston, TX

**Adjunct Instructor, Microeconomics**

June 2001 - March 2003

**Econ One Research, Inc.**, Houston, TX

**Senior Analyst** (October 2002 – March 2003)

**Analyst** (June 2001 – October 2002)

## EDUCATION

2001 **Louisiana State University**

M.S., Agricultural Economics

1997-1998 **University of Florida**

Graduate Coursework, Agricultural Education  
and Communication

1997 **Texas A&M University**

B.S., Agricultural Development

B.S., Horticulture

## TESTIMONY BEFORE REGULATORY COMMISSIONS

2013

Public Utility Commission of Oregon Docket No. UE 262: In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, Request for a General Rate Revision.

New Jersey Board of Public Utilities Docket No. ER12111052: In the Matter of the Verified Petition of Jersey Central Power & Light Company For Review and Approval of Increases in and Other Adjustments to Its Rates and Charges For Electric Service, and For Approval of Other Proposed Tariff Revisions in Connection Therewith; and for Approval of an Accelerated Reliability Enhancement Program ("2012 Base Rate Filing")

North Carolina Utilities Commission Docket No. E-7, Sub 1026: In the Matter of the Application of Duke Energy Carolinas, LLC for Adjustment of Rates and Charges Applicable to Electric Service in North Carolina.

Public Utility Commission of Oregon Docket No. UE 264: PACIFICORP, dba PACIFIC POWER, 2014 Transition Adjustment Mechanism.

Public Utilities Commission of California Docket No. 12-12-002: Application of Pacific Gas and Electric Company for 2013 Rate Design Window Proceeding.

Public Utilities Commission of Ohio Docket Nos. 12-426-EL-SSO, 12-427-EL-ATA, 12-428-EL-AAM, 12-429-EL-WVR, and 12-672-EL-RDR: In the Matter of the Application of the Dayton Power and Light Company Approval of its Market Offer.

Minnesota Public Utilities Commission Docket No. E-002/GR-12-961: In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in Minnesota.

North Carolina Utilities Commission Docket E-2, Sub 1023: In the Matter of Application of Progress Energy Carolinas, Inc. For Adjustment of Rates and Charges Applicable to Electric Service in North Carolina.

#### 2012

Public Utility Commission of Texas Docket No. 40443: Application of Southwestern Electric Power Company for Authority to Change Rates and Reconcile Fuel Costs.

South Carolina Public Service Commission Docket No. 2012-218-E: Application of South Carolina Electric & Gas Company for Increases and Adjustments in Electric Rate Schedules and Tariffs and Request for Mid-Period Reduction in Base Rates for Fuel.

Kansas Corporation Commission Docket No. 12-KCPE-764-RTS: In the Matter of the Application of Kansas City Power & Light Company to Make Certain Changes in its Charges for Electric Service.

Kansas Corporation Commission Docket No. 12-GLMX-337-GIV: In the Matter of a General Investigation of Energy-Efficiency Policies for Utility Sponsored Energy Efficiency Programs.

Florida Public Service Commission Docket No. 120015-El: In Re: Petition for Rate Increase by Florida Power & Light Company.

California Public Utilities Commission Docket No. A.11-10-002: Application of San Diego Gas & Electric Company (U 902 E) for Authority to Update Marginal Costs, Cost Allocation, and Electric Rate Design.

Utah Public Service Commission Docket No. 11-035-200: In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations.

Virginia State Corporation Commission Case No. PUE-2012-00051: Application of Appalachian Power Company to Revise its Fuel Factor Pursuant to § 56-249.6 of the Code of Virginia.

Public Utilities Commission of Ohio Case Nos. 11-346-EL-SSO, 11-348-EL-SSO, 11-349-EL-AAM, and 11-350-EL-AAM: In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form on an Electric Security Plan and In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Approval of Certain Accounting Authority.

New Jersey Board of Public Utilities Docket No. ER11080469: In the Matter of the Petition of Atlantic City Electric for Approval of Amendments to Its Tariff to Provide for an Increase in Rates and Charges for Electric Service Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1 and For Other Appropriate Relief.

Public Utility Commission of Texas Docket No. 39896: Application of Entergy Texas, Inc. for Authority to Change Rates and Reconcile Fuel Costs.

Missouri Public Service Commission Case No. EO-2012-0009: In the Matter of KCP&L Greater Missouri Operations Notice of Intent to File an Application for Authority to Establish a Demand-Side Programs Investment Mechanism.

Colorado Public Utilities Commission Docket No. 11AL-947E: In the Matter of Advice Letter No. 1597-Electric Filed by Public Service Company of Colorado to Revise its Colorado PUC No. 7-Electric Tariff to Implement a General Rate Schedule Adjustment and Other Changes Effective December 23, 2011.

Illinois Commerce Commission Docket No. 11-0721: Commonwealth Edison Company Tariffs and Charges Submitted Pursuant to Section 16-108.5 of the Public Utilities Act.

Public Utility Commission of Texas Docket No. 38951: Application of Entergy Texas, Inc. for Approval of Competitive Generation Service tariff (Issues Severed from Docket No. 37744).

California Public Utilities Commission Docket No. A.11-06-007: Southern California Edison's General Rate Case, Phase 2.

#### 2011

Arizona Corporation Commission Docket No. E-01345A-11-0224: In the Matter of Arizona Public Service Company for a Hearing to Determine the Fair Value of Utility Property of the Company for Ratemaking Purposes, to Fix and Just and Reasonable Rate of Return Thereon, to Approve Rate Schedules Designed to Develop Such Return.

Oklahoma Corporation Commission Cause No. PUD 201100087: In the Matter of the Application of Oklahoma Gas and Electric Company for an Order of the Commission Authorizing Applicant to Modify its Rates, Charges, and Tariffs for Retail Electric Service in Oklahoma.

South Carolina Public Service Commission Docket No. 2011-271-E: Application of Duke Energy Carolinas, LLC for Authority to Adjust and Increase its Electric Rates and Charges.

Pennsylvania Public Utility Commission Docket No. P-2011-2256365: Petition of PPL Electric Utilities Corporation for Approval to Implement Reconciliation Rider for Default Supply Service.

North Carolina Utilities Commission Docket No. E-7, Sub 989: In the Matter of Application of Duke Energy Carolinas, LLC for Adjustment of Rates and Charges Applicable to Electric Service in North Carolina.

Florida Public Service Commission Docket No. 110138: In Re: Petition for Increase in Rates by Gulf Power Company.

Public Utilities Commission of Nevada Docket No. 11-06006: In the Matter of the Application of Nevada Power Company, filed pursuant to NRS 704.110(3) for authority to increase its annual revenue requirement for general rates charged to all classes of customers to recover the costs of constructing the Harry Allen Combined Cycle plant and other generating, transmission, and distribution plant additions, to reflect changes in the cost of capital, depreciation rates and cost of service, and for relief properly related thereto.

North Carolina Utilities Commission Docket Nos. E-2, Sub 998 and E-7, Sub 986: In the Matter of the Application of Duke Energy Corporation and Progress Energy, Inc., to Engage in a Business Combination Transaction and to Address Regulatory Conditions and Codes of Conduct.

Public Utilities Commission of Ohio Case Nos. 11-346-EL-SSO, 11-348-EL-SSO, 11-349-EL-AAM, and 11-350-EL-AAM: In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form on an Electric Security Plan and In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Approval of Certain Accounting Authority.

Virginia State Corporation Commission Case No. PUE-2011-00037: In the Matter of Appalachian Power Company for a 2011 Biennial Review of the Rates, Terms, and Conditions for the Provision of Generation, Distribution, and Transmission Services Pursuant to § 56-585.1 A of the Code of Virginia.

Illinois Commerce Commission Docket No. 11-0279 and 11-0282 (cons.): Ameren Illinois Company Proposed General Increase in Electric Delivery Service and Ameren Illinois Company Proposed General Increase in Gas Delivery Service.

Virginia State Corporation Commission Case No. PUE-2011-00045: Application of Virginia Electric and Power Company to Revise its Fuel Factor Pursuant to § 56-249.6 of the Code of Virginia.

Utah Public Service Commission Docket No. 10-035-124: In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations.

Maryland Public Utilities Commission Case No. 9249: In the Matter of the Application of Delmarva Power & Light for an Increase in its Retail Rates for the Distribution of Electric Energy.

Minnesota Public Utilities Commission Docket No. E002/GR-10-971: In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for Authority to Increase Rates for Electric Service in Minnesota.

Michigan Public Service Commission Case No. U-16472: In the Matter of the Detroit Edison Company for Authority to Increase its Rates, Amend its Rate Schedules and Rules Governing the Distribution and Supply of Electric Energy, and for Miscellaneous Accounting Authority.

#### 2010

Public Utilities Commission of Ohio Docket No. 10-2586-EL-SSO: In the Matter of the Application of Duke Energy Ohio for Approval of a Market Rate Offer to Conduct a Competitive Bidding Process for Standard Service Offer Electric Generation Supply, Accounting Modifications, and Tariffs for Generation Service.

Colorado Public Utilities Commission Docket No. 10A-554EG: In the Matter of the Application of Public Service Company of Colorado for Approval of a Number of Strategic Issues Relating to its DSM Plan, Including Long-Term Electric Energy Savings Goals, and Incentives.

Public Service Commission of West Virginia Case No. 10-0699-E-42T: Appalachian Power Company and Wheeling Power Company Rule 42T Application to Increase Electric Rates.

Oklahoma Corporation Commission Cause No. PUD 201000050: Application of Public Service Company of Oklahoma, an Oklahoma Corporation, for an Adjustment in its Rates and Charges and Terms and Conditions of Service for Electric Service in the State of Oklahoma.



Georgia Public Service Commission Docket No. 31958-U: In Re: Georgia Power Company's 2010 Rate Case.

Washington Utilities and Transportation Commission Docket No. 100749: 2010 Pacific Power & Light Company General Rate Case.

Colorado Public Utilities Commission Docket No. 10M-254E: In the Matter of Commission Consideration of Black Hills Energy's Plan in Compliance with House Bill 10-1365, "Clean Air-Clean Jobs Act."

Colorado Public Utilities Commission Docket No. 10M-245E: In the Matter of Commission Consideration of Public Service Company of Colorado Plan in Compliance with House Bill 10-1365, "Clean Air-Clean Jobs Act."

Public Service Commission of Utah Docket No. 09-035-15 *Phase II*: In the Matter of the Application of Rocky Mountain Power for Approval of its Proposed Energy Cost Adjustment Mechanism.

Public Utility Commission of Oregon Docket No. UE 217: In the Matter of PACIFICORP, dba PACIFIC POWER Request for a General Rate Revision.

Mississippi Public Service Commission Docket No. 2010-AD-57: In Re: Proposal of the Mississippi Public Service Commission to Possibly Amend Certain Rules of Practice and Procedure.

Indiana Utility Regulatory Commission Cause No. 43374: Verified Petition of Duke Energy Indiana, Inc. Requesting the Indiana Utility Regulatory Commission to Approve an Alternative Regulatory Plan Pursuant to Ind. Code § 8-1-2.5-1, *ET SEQ.*, for the Offering of Energy Efficiency Conservation, Demand Response, and Demand-Side Management Programs and Associated Rate Treatment Including Incentives Pursuant to a Revised Standard Contract Rider No. 66 in Accordance with Ind. Code §§ 8-1-2.5-1 *ET SEQ.* and 8-1-2-42 (a); Authority to Defer Program Costs Associated with its Energy Efficiency Portfolio of Programs; Authority to Implement New and Enhanced Energy Efficiency Programs, Including the Powershare® Program in its Energy Efficiency Portfolio of Programs; and Approval of a Modification of the Fuel Adjustment Clause Earnings and Expense Tests.

Public Utility Commission of Texas Docket No. 37744: Application of Entergy Texas, Inc. for Authority to Change Rates and to Reconcile Fuel Costs.

South Carolina Public Service Commission Docket No. 2009-489-E: Application of South Carolina Electric & Gas Company for Adjustments and Increases in Electric Rate Schedules and Tariffs.

Kentucky Public Service Commission Case No. 2009-00459: In the Matter of General Adjustments in Electric Rates of Kentucky Power Company.

Virginia State Corporation Commission Case No. PUE-2009-00125: For acquisition of natural gas facilities Pursuant to § 56-265.4:5 B of the Virginia Code.

Arkansas Public Service Commission Docket No. 10-010-U: In the Matter of a Notice of Inquiry Into Energy Efficiency.

Connecticut Department of Public Utility Control Docket No. 09-12-05: Application of the Connecticut Light and Power Company to Amend its Rate Schedules.

Arkansas Public Service Commission Docket No. 09-084-U: In the Matter of the Application of Entergy Arkansas, Inc. For Approval of Changes in Rates for Retail Electric Service.

Missouri Public Service Commission Docket No. ER-2010-0036: In the Matter of Union Electric Company d/b/a AmerenUE for Authority to File Tariffs Increasing Rates for Electric Service Provided to Customers in the Company's Missouri Service Area.

Public Service Commission of Delaware Docket No. 09-414: In the Matter of the Application of Delmarva Power & Light Company for an Increase in Electric Base Rates and Miscellaneous Tariff Charges.

*2009*

Virginia State Corporation Commission Case No. PUE-2009-00030: In the Matter of Appalachian Power Company for a Statutory Review of the Rates, Terms, and Conditions for the Provision of Generation, Distribution, and Transmission Services Pursuant to § 56-585.1 A of the Code of Virginia.

Public Service Commission of Utah Docket No. 09-035-15 *Phase I*: In the Matter of the Application of Rocky Mountain Power for Approval of its Proposed Energy Cost Adjustment Mechanism.

Public Service Commission of Utah Docket No. 09-035-23: In the Matter of the Application of Rocky Mountain Power for Authority To Increase its Retail Electric Utility Service Rates in Utah and for Approval of Its Proposed Electric Service Schedules and Electric Service Regulations.

Colorado Public Utilities Commission Docket No. 09AL-299E: Re: The Tariff Sheets Filed by Public Service Company of Colorado with Advice Letter No. 1535 – Electric.

Arkansas Public Service Commission Docket No. 09-008-U: In the Matter of the Application of Southwestern Electric Power Company for Approval of a General Change in Rates and Tariffs.

Oklahoma Corporation Commission Docket No. PUD 200800398: In the Matter of the Application of Oklahoma Gas and Electric Company for an Order of the Commission Authorizing Applicant to Modify its Rates, Charges, and Tariffs for Retail Electric Service in Oklahoma.

Public Utilities Commission of Nevada Docket No. 08-12002: In the Matter of the Application by Nevada Power Company d/b/a NV Energy, filed pursuant to NRS §704.110(3) and NRS §704.110(4) for authority to increase its annual revenue requirement for general rates charged to all classes of customers, begin to recover the costs of acquiring the Bighorn Power Plant, constructing the Clark Peak, Environmental Retrofits and other generating, transmission and distribution plant additions, to reflect changes in cost of service and for relief properly related thereto.

New Mexico Public Regulation Commission Case No. 08-00024-UT: In the Matter of a Rulemaking to Revise NMPRC Rule 17.7.2 NMAC to Implement the Efficient Use of Energy Act.

Indiana Utility Regulatory Commission Cause No. 43580: Investigation by the Indiana Utility Regulatory Commission, of Smart Grid Investments and Smart Grid Information Issues Contained in 111(d) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. § 2621(d)), as Amended by the Energy Independence and Security Act of 2007.

Louisiana Public Service Commission Docket No. U-30192 *Phase II (February 2009)*: Ex Parte, Application of Entergy Louisiana, LLC for Approval to Repower Little Gypsy Unit 3 Electric Generating Facility and for Authority to Commence Construction and for Certain Cost Protection and Cost Recovery.

South Carolina Public Service Commission Docket No. 2008-251-E: In the Matter of Progress Energy Carolinas, Inc.'s Application For the Establishment of Procedures to Encourage Investment in Energy Efficient Technologies; Energy Conservation Programs; And Incentives and Cost Recovery for Such Programs.

*2008*

Colorado Public Utilities Commission Docket No. 08A-366EG: In the Matter of the Application of Public Service Company of Colorado for approval of its electric and natural gas demand-side management (DSM) plan for calendar years 2009 and 2010 and to change its electric and gas DSM cost adjustment rates effective January 1, 2009, and for related waivers and authorizations.

Public Service Commission of Utah Docket No. 07-035-93: In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations, Consisting of a General Rate Increase of Approximately \$161.2 Million Per Year, and for Approval of a New Large Load Surcharge.

Indiana Utility Regulatory Commission Cause No. 43374: Petition of Duke Energy Indiana, Inc. Requesting the Indiana Utility Regulatory Commission Approve an Alternative Regulatory Plan for the Offering of Energy Efficiency, Conservation, Demand Response, and Demand-Side Management.

Public Utilities Commission of Nevada Docket No. 07-12001: In the Matter of the Application of Sierra Pacific Power Company for authority to increase its general rates charged to all classes of electric customers to reflect an increase in annual revenue requirement and for relief properly related thereto.

Louisiana Public Service Commission Docket No. U-30192 *Phase II*: Ex Parte, Application of Entergy Louisiana, LLC for Approval to Repower Little Gypsy Unit 3 Electric Generating Facility and for Authority to Commence Construction and for Certain Cost Protection and Cost Recovery.

Colorado Public Utilities Commission Docket No. 07A-420E: In the Matter of the Application of Public Service Company of Colorado For Authority to Implement and Enhanced Demand Side Management Cost Adjustment Mechanism to Include Current Cost Recovery and Incentives.

*2007*

Louisiana Public Service Commission Docket No. U-30192: Ex Parte, Application of Entergy Louisiana, LLC for Approval to Repower Little Gypsy Unit 3 Electric Generating Facility and for Authority to Commence Construction and for Certain Cost Protection and Cost Recovery.

Public Utility Commission of Oregon Docket No. UG 173: In the Matter of PUBLIC UTILITY COMMISSION OF OREGON Staff Request to Open an Investigation into the Earnings of Cascade Natural Gas.

*2006*

Public Utility Commission of Oregon Docket No. UE 180/UE 181/UE 184: In the Matter of PORTLAND GENERAL ELECTRIC COMPANY Request for a General Rate Revision.

Public Utility Commission of Oregon Docket No. UE 179: In the Matter of PACIFICORP, dba PACIFIC POWER AND LIGHT COMPANY Request for a general rate increase in the company's Oregon annual revenues.

Public Utility Commission of Oregon Docket No. UM 1129 *Phase II*: Investigation Related to Electric Utility Purchases From Qualifying Facilities.

2005

Public Utility Commission of Oregon Docket No. UM 1129 *Phase I Compliance*: Investigation Related to Electric Utility Purchases From Qualifying Facilities.

Public Utility Commission of Oregon Docket No. UX 29: In the Matter of QWEST CORPORATION Petition to Exempt from Regulation Qwest's Switched Business Services.

2004

Public Utility Commission of Oregon Docket No. UM 1129 *Phase I*: Investigation Related to Electric Utility Purchases From Qualifying Facilities.

#### **TESTIMONY BEFORE LEGISLATIVE BODIES**

2012

Regarding Missouri House Bill 1488: Testimony Before the Missouri House Committee on Utilities, February 7, 2012.

2011

Regarding Missouri Senate Bills 50, 321, 359, and 406: Testimony Before the Missouri Senate Veterans' Affairs, Emerging Issues, Pensions, and Urban Affairs Committee, March 9, 2011.

#### **AFFIDAVITS**

2011

Colorado Public Utilities Commission Docket No. 11M-951E: In the Matter of the Petition of Public Service Company of Colorado Pursuant to C.R.S. § 40-6-111(1)(d) for Interim Rate Relief Effective on or before January 21, 2012.

#### **ENERGY INDUSTRY PUBLICATIONS AND PRESENTATIONS**

Panelist, Customer Panel, Virginia State Bar 29<sup>th</sup> National Regulatory Conference, Williamsburg, Virginia, May 19, 2011.

Chriss, S. (2006). "Regulatory Incentives and Natural Gas Purchasing – Lessons from the Oregon Natural Gas Procurement Study." Presented at the 19<sup>th</sup> Annual Western Conference, Center for Research in Regulated Industries Advanced Workshop in Regulation and Competition, Monterey, California, June 29, 2006.

Chriss, S. (2005). "Public Utility Commission of Oregon Natural Gas Procurement Study." Public Utility Commission of Oregon, Salem, OR. Report published in June, 2005. Presented to the Public Utility Commission of Oregon at a special public meeting on August 1, 2005.

Chriss, S. and M. Radler (2003). "Report from Houston: Conference on Energy Deregulation and Restructuring." USAEE Dialogue, Vol. 11, No. 1, March, 2003.

Chriss, S., M. Dwyer, and B. Pulliam (2002). "Impacts of Lifting the Ban on ANS Exports on West Coast Crude Oil Prices: A Reconsideration of the Evidence." Presented at the 22nd USAEE/IAEE North American Conference, Vancouver, BC, Canada, October 6-8, 2002.

Contributed to chapter on power marketing: "Power System Operations and Electricity Markets," Fred I. Denny and David E. Dismukes, authors. Published by CRC Press, June 2002.

Contributed to "Moving to the Front Lines: The Economic Impact of the Independent Power Plant Development in Louisiana," David E. Dismukes, author. Published by the Louisiana State University Center for Energy Studies, October 2001.

Dismukes, D.E., D.V. Mesyanzhinov, E.A. Downer, S. Chriss, and J.M. Burke (2001). "Alaska Natural Gas In-State Demand Study." Anchorage: Alaska Department of Natural Resources.

In the Matter of: )  
 )  
Application of Duke Energy Carolinas, LLC )  
for Authority to Adjust and Increase Its Electric )  
Rates and Charges )

ON BEHALF OF

**WAL-MART STORES EAST, LP AND SAM'S EAST, INC.**

**Calculation of Proposed Additional Operating Income**

(1)	(\$000)	Operating Income Before Increase	\$	228,987
(2)	(\$000)	Operating Income After Increase	\$	364,666
(3)	(\$000)	(3) - (2)	Additional Operating Income	\$ 135,679
(4)	(%)	(2) / (3) - 1	Additional Operating Income	59.3%

Source: Shrum Exhibit 1, page 1

In the Matter of: )  
 )  
Application of Duke Energy Carolinas, LLC )  
for Authority to Adjust and Increase Its Electric )  
Rates and Charges )

**WAL-MART STORES EAST, LP AND SAM'S EAST, INC.**



## Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed in 2012 and 2013

State	Docket	Utility	Distribution		Decision Date
			Only	Authorized ROE	
SC	2011-271-E	Duke Energy Carolinas LLC		10.50%	1/25/2012
NC	E-7, Sub 989	Duke Energy Carolinas LLC		10.50%	1/27/2012
MI	16801	Indiana-Michigan Power Co.		10.20%	2/15/2012
OR	UE 233	Idaho Power Co.		9.90%	2/23/2012
FL	110138	Gulf Power Co.		10.25%	2/27/2012
ND	PU-10-657	Northern States Power Co.		10.40%	2/29/2012
MN	10-971	Northern States Power Co.		10.37%	3/29/2012
HI	2009-0164	Hawaii Electric Light Co.		10.00%	4/4/2012
CO	11AL-947E	Public Service Company of Colorado		10.00%	4/26/2012
HI	2009-0163	Maui Electric Company Ltd		10.00%	5/2/2012
WA	UE-111048	Puget Sound Energy Inc.		9.80%	5/7/2012
AZ	E-01345A-11-0224	Arizona Public Service Co.		10.00%	5/15/2012
IL	11-0721	Commonwealth Edison Co.	Yes	10.05%	5/29/2012
MI	16794	Consumers Energy Co.		10.30%	6/7/2012
NY	11-E-0408	Orange & Rockland Utilities Inc.	Yes	9.40%	6/14/2012
WI	6680-UR-118	Wisconsin Power and Light Co.		10.40%	6/15/2012
WY	20003-114-ER-11	Cheyenne Light Fuel Power Co.		9.60%	6/18/2012
SD	EL11-019	Northern States Power Co.		9.25%	6/19/2012
MI	16830	Wisconsin Electric Power Co.		10.10%	6/26/2012
HI	2009-0080	Hawaiian Electric Co.		10.00%	6/29/2012
OK	PUD 201100087	Oklahoma Gas and Electric Co.		10.20%	7/9/2012
WY	20000-405-ER-11	Rocky Mountain Power		9.80%	7/16/2012
MD	9285	Delmarva Power & Light Co.	Yes	9.81%	7/20/2012
MD	9286	Potomac Edison Power Co.	Yes	9.31%	7/20/2012
TX	39896	Entergy Texas Inc.		9.80%	9/13/2012
IL	12-0001	Ameren Illinois	Yes	10.05%	9/19/2012
UT	11-035-200	Rocky Mountain Power		9.80%	9/19/2012
DC	1087	Potomac Edison Power Co.	Yes	9.50%	9/26/2012
NJ	ER-11080469	Atlantic City Electric Co.	Yes	9.75%	10/23/2012
WI	6690-UR-121	Wisconsin Public Service Corp.		10.30%	10/24/2012
WI	3270-UR-118	Madison Gas and Electric Co.		10.30%	11/9/2012
WI	05-UR-106	Wisconsin Electric Power Co.		10.40%	11/28/2012
CA	A12-02-014	California Pacific Electric Co.		9.88%	11/29/2012
DE	D-11-528	Delmarva Power & Light Co.	Yes	9.75%	11/29/2012
IL	12-0293	Ameren Illinois	Yes	9.71%	12/5/2012
PA	E-2012-2290597	PPL Electric Utilities Corp	Yes	10.40%	12/5/2012
MO	ER-2012-0166	Union Electric Co.		9.80%	12/12/2012
FL	120015	Florida Power & Light		10.50%	12/13/2012
KS	12-KCPE-764-RTS	Kansas City Power & Light		9.50%	12/13/2012
WI	4220-UR-118	Northern States Power Co.		10.40%	12/14/2012
IL	12-0321	Commonwealth Edison Co.	Yes	9.71%	12/19/2012
SC	2012-218-E	South Carolina Electric & Gas		10.25%	12/19/2012
CA	A12-04-018	Pacific Gas & Electric		10.40%	12/20/2012
CA	A12-04-016	San Diego Gas & Electric		10.30%	12/20/2012
CA	A12-04-015	Southern California Edison		10.45%	12/20/2012
KY	2012-00221	Kentucky Utilities		10.25%	12/20/2012
KY	2012-00222	Louisville Gas & Electric		10.25%	12/20/2012
OR	UE 246	PacifiCorp		9.80%	12/20/2012
RI	4323	Narragansett Electric Co.	Yes	9.50%	12/20/2012

**Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed in 2012 and 2013**

State	Docket	Utility	Distribution		Decision Date
			Only	Authorized ROE	
NC	E-22, Sub 479	Virginia Electric & Power Co.		10.20%	12/21/2012
WA	UE-120436	Avista Corp.		9.80%	12/26/2012
MO	ER-2012-0174	Kansas City Power & Light		9.70%	1/9/2013
MO	ER-2012-0175	KCP&L Greater Missouri Op Co.		9.70%	1/9/2013
IN	44075	Indiana-Michigan Power Co.		10.20%	2/13/2013
MD	9299	Baltimore Gas and Electric Co.	Yes	9.75%	2/22/2013
LA	U-32220	Southwestern Electric Power Co.		10.00%	2/27/2013
NY	12-E-0201	Niagara Mohawk Power Corp.	Yes	9.30%	3/14/2013
ID	AVU-E-12-08	Avista Corp.		9.80%	3/27/2013
OH	12-1682-EL-AIR	Duke Energy Ohio Inc.	Yes	9.84%	5/1/2013
MI	U-17087	Consumers Energy Co.		10.30%	5/15/2013
NC	E-2, Sub 1023	Duke Energy Progress Inc.		10.20%	5/30/2013
HI	2011-0092	Maui Electric Company Ltd		9.00%	5/31/2013
AZ	E-01933A-12-0291	Tucson Electric Power Co.		10.00%	6/11/2013
NJ	ER-12121071	Atlantic City Electric Co.	Yes	9.75%	6/21/2013

# of Decisions	64
Average (All Utilities)	9.98%
Average (Excluding Distribution Only)	10.06%
Median	10.00%
Minimum	9.00%
Maximum	10.50%

Source: SNL Financial LC, June 25, 2013

STATE OF SOUTH CAROLINA  
BEFORE THE PUBLIC SERVICE COMMISSION  
DOCKET NO. 2013-59-E

In the Matter of: )  
 )  
Application of Duke Energy Carolinas, LLC )  
for Authority to Adjust and Increase Its Electric )  
Rates and Charges )

EXHIBIT\_\_SWC-4 OF STEVE W. CHRISS

ON BEHALF OF

**WAL-MART STORES EAST, LP AND SAM'S EAST, INC.**

**Calculation of Adjustment to Revenue Requirement, 10 Percent Return on Equity**

Long-Term Debt	\$	8,095,094	47.00%	5.28%	2.48%
Common Equity	\$	9,950,282	53.00%	10.00%	5.30%
<b>Total</b>	<b>\$</b>	<b>18,045,376</b>			<b>7.78%</b>
			Rate Base	\$	4,313,858
			Return at ROR of 7.78%	\$	335,687
			Current Operating Return	\$	228,987
			Incremental Operating Return at ROE of 10.00%	\$	106,700
			Company Proposed Incremental Operating Return	\$	135,679
			Difference	\$	(28,979)
			Taxes	\$	(11,166)
			<b>Revenue Requirement Impact</b>	<b>\$</b>	<b>(40,144)</b>

Source:

Shrum Exhibit 1, page 1 to page 2